

1 the same location as the Verizon optical equipment.

2 MR. ALBERT: Then we would have to break
3 it down within that central office building.

4 MR. MONROE: Okay. So, when you're
5 talking about multiplexing associated with this
6 issue, you're not talking about any of the
7 multiplexing-like functions that are performed in
8 order to get from OC12 down to DS1 into the switch;
9 is that right?

10 What I'm trying to find out is, is there a
11 problem with having higher rate transmission
12 facilities into a Verizon location that is not an
13 intermediate or terminus hub and then having T-1
14 trunk interfaces into the Verizon switch at that
15 location?

16 MR. ALBERT: If you order them as DS1s,
17 then we will break them down and will provision
18 them as DS1s.

19 MR. MONROE: So, the only time this is a
20 problem is if, for some reason, we want a DS3
21 instead.

22 MR. ALBERT: That's why I said I think

1 with this issue we are strictly talking about when
2 you order multiplexing from Verizon, which is where
3 you specify and specifically order where you want
4 us to break DS3 pipe that you want down into these
5 individual DS1s, the issue is where we do that and
6 how we do that.

7 It's not an issue at all if what you're
8 ordering from us and what we are provisioning is a
9 DS1 facility.

10 MR. GOYAL: If I could jump in one more
11 time, with respect to the mid-span fiber meet
12 interconnection, if it's arranged at an OC48 or an
13 OC12 level, when that fiber is terminated fiber,
14 optic terminated equipment in Verizon's office, is
15 there any need for WorldCom to order DS1s or MUX
16 DS3s in order to terminate its traffic at that
17 point of interconnection on to Verizon's network?

18 MR. ALBERT: Yeah, for the trunks that
19 WorldCom would order, they have always got to
20 specify how they want to configure, which includes
21 are they going to order it and are we going to
22 provision it as a DS1 connection, or are they going

1 to order it and are we going to provision it as a
2 MUXed DS3 with its 28 subtending DS1s.

3 So, whenever they are ordering trunks,
4 without fail, they always got to identify which one
5 of those arrangements.

6 MR. GOYAL: I guess my question is, does
7 it really make a difference? If they're handing
8 off the traffic at the Verizon switch at that
9 office where the fiber optic terminating equipment
10 is located, whether or not the traffic is taken off
11 the fiber ring as a DS3 and then deMUXed into DS1s
12 and hooked into the Verizon switch or taken off as
13 separate DS1s and hooked into the Verizon switch,
14 does it make a deference to WorldCom? Isn't that
15 Verizon's arrangement of its side?

16 MR. ALBERT: Right, right. If they order
17 a DS1, then it really doesn't matter to them how we
18 get it down, bust it down to that, as long as
19 that's what we hook up to our switch.

20 MR. GOYAL: In that circumstance, would
21 Verizon be compensated any differently between the
22 two options of the deMUXed DS3 or the single DS1s

1 taken over the fiber optic--the fiber-meet point?

2 MR. ALBERT: If Verizon does--if they
3 order it as a MUX DS3, there are different rates
4 that apply because the--they're ordering the
5 function of DS3 to DS1 multiplexing.

6 MR. GOYAL: Sorry.

7 MR. MONROE: That's fine.

8 Let's look at the particular language that
9 Verizon is proposing, looking at the DPL page 174.
10 And I think all the discussion we had so far has
11 been on Section 5.2.1, and I think I got a much
12 better understanding of Verizon's position now than
13 I did before we started today, so that's a good
14 thing. 5.2.2 was an issue, and I'm pleased to tell
15 you now that WorldCom is accepting that language.

16 5.2.3 the parties have already agreed to.
17 Correct me if I'm wrong.

18 5.2.4, I understand, was in agreement, but
19 the parties were going to move that to the trunk
20 and facility augmentation section.

21 Do you have any knowledge of that? I know
22 that's a minor point because the important point is

1 the parties are in agreement on that language.

2 MR. ALBERT: I haven't really been that
3 involved in the actual language development.

4 MR. MONROE: All right. 5.2.5, I think,
5 the parties are in agreement on.

6 5.2.6 the parties are in agreement on.
7 This is the language that's been agreed to and is
8 not necessarily Verizon's original proposal, so
9 that's language I'm saying WorldCom is agreeing to.

10 Then it was my understanding that the
11 parties had agreed to delete 5.2.7 as originally
12 proposed by Verizon because it was basically
13 duplicative of the language on the greater service
14 and another issue, but I see Verizon is making a
15 reference, and I don't know that it makes a big
16 difference.

17 MR. EDWARDS: I'm not sure it does either,
18 but we had agreement to delete that language.

19 MR. ALBERT: You're saying 5.2.7 is gone?

20 MR. EDWARDS: Yes, I think it's covered
21 elsewhere.

22 MR. MONROE: All right. Then let's look

1 at the last issue.

2 MR. EDWARDS: Before you leave that one,
3 WorldCom agreed to 5.2.2; correct?

4 MR. MONROE: That's correct.

5 MR. EDWARDS: You already agreed to 5.2.3?

6 MR. MONROE: Yes.

7 MR. EDWARDS: 5.2.4 is dealt with in
8 augmentation?

9 MR. MONROE: That's correct.

10 MR. EDWARDS: Okay.

11 MR. MONROE: All right. VI-1(C). Let's
12 look at Verizon Exhibit 9, which I think is your
13 August 17th direct. I'm looking at page 30.

14 It might be helpful on this issue to look
15 at Mr. Grieco's rebuttal at the same time we are
16 looking at your language. I believe that's--I'm
17 sorry, I believe it's his direct. Do you have that
18 with you? And that is--

19 MR. ALBERT: His August 17th?

20 MR. MONROE: Yes. That's WorldCom issue
21 14, I believe.

22 It might be helpful to look at pages 27

1 and 28 of his direct while we are talking about
2 your testimony because on those pages appears
3 WorldCom's red-lining of Verizon's proposed
4 language. Then your testimony comments on that
5 red-lining, and if we look at this at the same
6 time, we could move through this issue pretty
7 quickly.

8 It's my understanding, then, from your
9 testimony that you are okay with the red-lining
10 that WorldCom did with, I think, three exceptions,
11 two relating to where WorldCom struck reciprocal
12 compensation language, and one where WorldCom
13 inserted language about who would be charged, and I
14 want to talk about each one of those. And then
15 correct me if I'm wrong, that there were, if there
16 were more, but I think those were the three that
17 you mentioned.

18 So, first let's look at what in
19 Mr. Grieco's testimony is 1.2, and I believe the
20 numbering is the same in Mr. Grieco's testimony as
21 it is in your language, only your section numbers
22 are 10 instead of one, so just for the record it's

1 clear what language you're talking about.

2 Now, 1.2, WorldCom struck language saying
3 that WorldCom would charge reciprocal compensation
4 to the interexchange carrier; is that correct?

5 MR. D'AMICO: Yes. I could actually speed
6 this up.

7 MR. MONROE: That would be great.

8 MR. D'AMICO: We are all okay as keeping
9 that struck, recip comp. I'm not sure how we
10 communicated that, but we are okay with that.

11 MR. MONROE: All right. Just for the
12 record, then, we are looking at Mr. Grieco's
13 testimony page 27--that's lines 15 and 16--that are
14 showing some words that are stricken, and you are
15 okay with striking those words?

16 MR. D'AMICO: Yes, with references to
17 reciprocal compensation, yes.

18 MR. MONROE: Then the next thing Verizon
19 objected to was on line 19, where WorldCom inserted
20 that charges would be assessed to the--this is the
21 insertion--the toll-free service access code
22 service provider.

1 MR. D'AMICO: Yes.

2 MR. MONROE: Could you explain what your
3 concern was with that insertion.

4 MR. D'AMICO: Yeah. This is kind of maybe
5 an industry problem where what's happening is MCI
6 is doing the database dip on your side of the
7 network, and basically converting that to a POTS
8 number and then sending that through to Verizon.

9 So, when that traffic comes through, it
10 looks like a regular POTS number to another service
11 provider, and so because Verizon does
12 not--basically just strips it off and says this is
13 going to some other toll-free service code
14 provider, and we do not have a way to get our
15 transit charges from that toll-free service
16 provider, and so that's why we need to get it from
17 MCI. And it's an industry problem, but we don't
18 know how to get it from the toll-free provider.
19 That's why we have that.

20 MR. MONROE: Let me make sure I
21 understand, so I will give you an example.

22 A WorldCom local customer dials an 800

1 number. WorldCom dips the database.

2 MR. D'AMICO: Yes.

3 MR. MONROE: And gets the POTS number,
4 P-O-T-S, and then forwards that call to Verizon's
5 tandem along with the carrier identification code,
6 the C-I-C, to Verizon, and then Verizon tandems
7 that call to the carrier associated with that
8 carrier identification code. Am I right so far?

9 MR. D'AMICO: Could I back up?

10 MR. MONROE: Sure.

11 MR. D'AMICO: If you're sending us a CIC,
12 carrier identification code, that would fall under
13 the category of "to an IXC," and in that case we
14 would know, but I think in this example you're just
15 sending us 10 digits, and it's under that GR or
16 whatever format, the one where there is no OZZ and
17 CIC.

18 MR. MONROE: GR 317?

19 MR. D'AMICO: Yes.

20 To us it looks like a normal transit call.

21 MR. MONROE: Let's back up a second again,
22 because we are confused on what the language means.

1 On lines 11 and 12 where you say there is a
2 toll-free service access code service provider in
3 the LATA, by that are you meaning that it's an
4 intra-LATA only toll-free service number?

5 MR. D'AMICO: Okay.

6 MR. MONROE: Okay. I wasn't clear on
7 that.

8 So, then my scenario should be altered to
9 say that the calls are going to terminate somewhere
10 in the LATA of the originating caller, and then I
11 think what you're saying is in that case frequently
12 the provider of the toll-free service does not put
13 his CIC in the service management system, the SMS,
14 that WorldCom would be dipping; is that right?

15 MR. D'AMICO: Yes.

16 MR. MONROE: So, because the toll-free
17 service provider doesn't associate his CIC with the
18 toll-free number, WorldCom doesn't pass that CIC on
19 to Verizon.

20 MR. D'AMICO: Right.

21 Again, I don't know how often this
22 happens, but that's the problem we had with

1 changing it to the access--with the toll-free
2 service provider.

3 MR. GOYAL: Just to interject, when a
4 Verizon end user calls the same toll-free number,
5 how does Verizon recover access charges from the
6 toll-free provider in that scenario from the same
7 provider that's not inputting its CIC code data
8 into the SMS database?

9 MR. D'AMICO: What would happen there is
10 the Verizon caller would make a call. It would--we
11 would dip it into the database, and then we would
12 send that call to the CLEC or to the service
13 provider that has that number.

14 MR. GOYAL: In my hypothetical it's
15 Verizon's local exchange network that has that
16 caller. There is no CLEC involved.

17 MR. D'AMICO: It's with--again, that's a
18 Verizon service, so we recover that from the 800
19 provider--the person that has the 800 number. So,
20 in effect, we don't have to pay ourselves. We are
21 just--it's a cost on our network.

22 MR. GOYAL: Sorry, Mr. Monroe.

1 MR. MONROE: That's all right.

2 To follow up on that, when you said that
3 it's a service you provide, are you assuming that
4 Verizon is the toll-free service provider?

5 MR. D'AMICO: Yes. I believe that was the
6 example; correct?

7 MR. GOYAL: The example was a Verizon end
8 user calling a toll-free number with the toll-free
9 service provider not putting its CIC code into the
10 database that Verizon is dipping to route the call.

11 MR. D'AMICO: That would be Verizon would
12 be the--

13 MR. GOYAL: Verizon would be the local
14 exchange carrier.

15 MR. ALBERT: But I think we are not the
16 800 number provider.

17 MR. D'AMICO: If we are the 800 number
18 provider--

19 MR. GOYAL: If Verizon isn't the 800
20 number provider.

21 MR. D'AMICO: I believe what we are going
22 to do is just convert it to a POTS number and send

1 it to that CLEC, and we are going to have the same
2 issue.

3 MR. GOYAL: You mean send it go that
4 toll-free service provider, not a CLEC? I'm posing
5 a different hypothetical.

6 MR. D'AMICO: It would be the toll-free
7 provider, yes.

8 MR. MONROE: But you don't know who the
9 toll-free provider is, do you?

6:00 10 MR. D'AMICO: No. We are just going to
11 convert it to that POTS number and then we are
12 going to route it, and it's probably going to fall
13 under whatever the normal compensation arrangements
14 are for the routing of that number.

15 MR. MONROE: So, Verizon is going to
16 complete the number as though its customer had
17 dialed the POTS number to begin with?

18 MR. D'AMICO: Yes.

19 MR. MONROE: If there is a third party
20 involved who is the toll-free service provider, in
21 effect, the toll-free service provider is not
22 paying any originating or terminating access, is

1 not paying any tandem switching, isn't paying the
2 database dip charge, but its calls are being
3 completed; is that all correct?

4 MR. D'AMICO: I'm not sure if all of that
5 is correct because in the example of WorldCom
6 originating the 800 number, you're going to have a
7 record of who owns that number, I guess, as well as
8 Verizon, so if it's just between two parties, I
9 think--again, there is no transit involved. I
10 think the originating party knows who the
11 terminating party is, so I think the billing will
12 take place.

13 MR. MONROE: If there is no CIC in the
14 SMS, how is anyone going to know who the provider
15 is?

16 MR. D'AMICO: It would be the same example
17 if WorldCom sent a call to Verizon who is an 800
18 service provider, you would know that
19 Verizon--that's a Verizon 800 number.

20 MR. MONROE: We would know that because
21 Verizon's CIC is in the SMS?

22 MR. D'AMICO: No, because we don't have

1 the CIC in the SMS. I'm not sure if the OCN or
2 what would pinpoint who owns that 800 number.

3 MR. MONROE: Why wouldn't Verizon
4 associate its CIC with the toll-free number in the
5 SMS?

6 MR. D'AMICO: Because Verizon doesn't have
7 a CIC.

8 MR. MONROE: Well, on the previous issue,
9 on page 175 of the DPL, Section 5.2.2, which is
10 Verizon proposed language, it says, (reading) Each
11 party will identify its carrier identification
12 code, a three- or four-digit numeric code obtained
13 from Telcordia to the other party when ordering a
14 trunk group.

15 When Verizon proposed that language, did
16 it intend to provide the CIC code to WorldCom when
17 it ordered a trunk?

18 MR. D'AMICO: That's different because the
19 CIC is being used for the billing of those minutes.
20 What you're talking about is an entry in the 800
21 database, and I don't believe Verizon has a CIC in
22 that database.

1 MR. MONROE: Well, is it a matter that
2 Verizon just doesn't put its CIC in the database,
3 or are you saying that Verizon doesn't have a CIC
4 to put in the database? In other words, is it
5 Verizon's election not to do that?

6 MR. D'AMICO: Again, I don't know the ins
7 and outs of how the database work, and I'm not sure
8 if CIC is needed on an intra-LATA routed call.
9 There may be some other parameter in OCN or
10 something like that, but the bottom line is, when
11 that call comes from WorldCom translated as a POTS
12 number, Verizon does not know who that is.

13 MR. MONROE: Well, if this problem is
14 caused by the intra-LATA toll-free service provider
15 not putting its CIC in the SMS database, and
16 Verizon is exacerbating that problem by not putting
17 its CIC in the SMS database, why is Verizon
18 proposing that WorldCom should have to eat the
19 tandem fee when it should be Verizon's cost?

20 MR. D'AMICO: Again, you're not eating the
21 tandem fee. You're billing the toll-free provider
22 because you have the originating record. In this

1 language it says that you're going to bill your
2 access charge and your query charge to the
3 toll-free service provider.

4 What we are trying to say is we don't have
5 the information to bill the toll-free provider, and
6 so we are going to bill you and you could bill the
7 toll-free provider.

8 Again, that's not the ideal situation, but
9 that's the problem.

10 In fact, I believe that there is an OBF
11 issue somewhere that's trying to address this.

12 MR. MONROE: Well, if WorldCom doesn't
13 have a tandem switching charge in its access
14 tariff, how is it going to get away with charging a
15 tandem switching charge to the toll-free service
16 provider?

17 MR. D'AMICO: Well, again, this isn't an
18 ideal situation. I guess if the toll-free service
19 provider refused to pay MCI for those charges,
20 Verizon would not be able to get those charges from
21 MCI. In other words, if they're not going to pay
22 you, you're surely not going to pay us, so once

1 again we still have an industry problem.

2 MR. MONROE: Just to make clear, this
3 isn't applying only when Verizon is the intra-LATA
4 toll-free service provider. I mean, it's your
5 position that there are third parties with
6 intra-LATA only toll-free service numbers without
7 their CIC in the SMS; is that right? Or is the
8 problem largely with Verizon?

9 MR. D'AMICO: Actually, it doesn't involve
10 800 calls to Verizon's network because you're going
11 to bill us originating access. It involves when a
12 call goes from MCI through Verizon at a translated
13 POTS number to an 800 service provider that's an
14 intra-LATA 800 service provider other than Verizon.
15 In that case, that comes in as a 10-digit number.
16 We know it's not a Verizon number. It's going to
17 go off to that--to that third party, and we have no
18 way of knowing who that third party is, so we are
19 trying to recover that transit tandem function--or
20 whatever that's called--from MCI.

21 MR. MONROE: How are you sending that call
22 to the third party if you don't know who it is?

1 MR. D'AMICO: It's a 10-digit number. We
2 are routing it based on the LERG.

3 MR. MONROE: You're not sending it to the
4 third party. You're just completing it?

5 MR. D'AMICO: We are completing it by
6 sending it to the third party. Somebody dials 10
7 digits and sends it to us, we will send it where it
8 needs to go.

9 MR. MONROE: But you're routing it to a
10 third party, if there is a third-party LEC
11 associated with that POTS number; is that right?

12 MR. D'AMICO: Yeah.

13 MR. MONROE: But if there is no
14 third-party LEC involved, then you're not routing
15 it to any third party. You're terminating the
16 call. If it's not a third-party LEC, then it must
17 be a Verizon end user.

18 MR. D'AMICO: Exactly. In that case we
19 don't need to go after anybody because that's the
20 cost of our 800 service.

21 MR. MONROE: And it's still not clear to
22 me how does WorldCom know who the toll-free service

1 provider is if there is no CIC in the SMS?

2 MR. D'AMICO: Well, maybe I should back
3 up. I'm not that familiar with the SMS, so I don't
4 know how a CIC, who have CIC how to CIC kind of
5 thing. So let's retract that, and I really don't
6 know. There is some type of identification in
7 there, but I would think somehow WorldCom has
8 originating record and they know to bill access to
9 that provider. But when that call comes to
10 Verizon, we just have 10 digits, and basically we
11 don't know what to do. I mean, we just route it.

12 MR. MONROE: What does Verizon propose to
13 do about the terminating access on that call?

14 MR. D'AMICO: What terminating access?

15 MR. MONROE: Well, if the WorldCom local
16 customer dials an 800 number, WorldCom dips the
17 database, gets the POTS number, sends it to Verizon
18 but doesn't send a CIC because there wasn't one in
19 the SMS, Verizon is going to perform a tandem
20 switching charge, and then Verizon is going to have
21 all or part of the terminating access, depending on
22 whether there is a third-party terminating LEC

1 involved; is that all correct?

2 MR. D'AMICO: No. You get back to that
3 CIC thing. I don't know how that works, but
4 WorldCom is going to dip, send the POTS number, 10
5 digits. We will see a POTS number. If it's a
6 Verizon number, we complete it within our 800
7 service provider network, if you will. If it's a
8 CLEC or somebody else's number, we are going to
9 route that, but we are going to strip it off and
10 say this is a transit call and send it to our pool
11 that bills transit.

12 Does that make sense?

13 MR. MONROE: I'm not sure. Let me follow
14 up and see.

15 If the call terminates with a Verizon
16 local customer--let's do that one first.

17 MR. D'AMICO: All right.

18 MR. MONROE: Regardless of whether--never
19 mind about that.

20 Verizon is not going to try to charge any
21 party for terminating access; is that right?

22 MR. D'AMICO: Correct.

1 MR. MONROE: And then if the call
2 terminates to some third-party LEC, a CLEC or an
3 independent, Verizon again is not going to charge
4 any terminating access; is that right?

5 MR. D'AMICO: Correct.

6 MR. MONROE: And not that we need to worry
7 about it in this Interconnection Agreement, but the
8 third-party LEC is out of luck, too, as far as
9 access; correct?

10 MR. D'AMICO: Again, it's an 800 service,
11 so I'm not sure they should charge terminating
12 access. WorldCom is doing the originating access
13 function, and so they're recovering their
14 terminating costs from their 800 retail provider,
15 so there is no terminating access.

16 MR. MONROE: Well, just because the call
17 terminates with a third-party LEC doesn't mean that
18 third-party LEC was the 800 provider; that's true,
19 isn't it?

20 MR. D'AMICO: No, I would think it would
21 be.

22 MR. MONROE: Can't I order an intra-LATA

1 800 number from Verizon, even though--and order
2 that number to be translated to my WorldCom
3 provided local number?

4 MR. D'AMICO: I don't know. That sounds a
5 little complicated to me. It's my understanding
6 that whoever has the 800 number belongs--it gets
7 routed to that local exchange provider.

8 MR. GOYAL: Maybe to simplify the question
9 a little bit, when a LEC--when the terminating LEC
10 is not the same carrier as the toll-free service
11 interexchange carrier, would the terminating LEC be
12 able to collect--would the terminating LEC have the
13 right to collect terminating access charges from
14 that toll-free IXC?

15 MR. D'AMICO: I think under that scenario
16 I'm not sure that would happen.

17 MR. GOYAL: Sorry for the interruption.

18 MR. MONROE: That's all right.

19 MR. D'AMICO: There are a lot of scenarios
20 where we don't have that problem. This is unique,
21 and they will fix it at OBF. I'm not sure how they
22 will identify this traffic, but that's where we are

1 at at this point.

2 MR. MONROE: Let me ask you one more
3 question.

4 Would you agree that the majority of this
5 traffic that we are talking about is Verizon
6 provided toll-free service?

7 MR. D'AMICO: If it's Verizon toll-free
8 service, it's not a problem.

9 MR. MONROE: Are you still going to send
10 WorldCom a bill for the tandem switching charge,
11 even if it was Verizon-provided?

12 MR. D'AMICO: No.

13 MR. MONROE: How will you know that you
14 provided it?

15 MR. D'AMICO: Because it terminates to one
16 of Verizon's numbers.

17 MR. MONROE: And you're assuming that if
18 the call terminates to a Verizon local user that
19 Verizon is providing the toll-free service?

20 MR. D'AMICO: Yes.

21 MR. MONROE: Okay. Then I think the next
22 and I believe also the last concern that Verizon

1 had with the red-lining that WorldCom sent was in
2 lines 29 and 30; is that correct?

3 MR. D'AMICO: That's the recip comp thing?

4 MR. MONROE: Yes.

5 MR. D'AMICO: We are fine with that.

6 MR. MONROE: Is the lengthy discussion we
7 just had the only problem that remains?

8 MR. D'AMICO: Yes.

9 MR. MONROE: I'm finished.

10 MR. DYGERT: I think at this point we will
11 break for the evening and resume with staff
12 questioning on this group tomorrow morning. Could
13 we be here at 9:30 again.

14 (Whereupon, at 6:15 p.m., the hearing was
15 adjourned until 9:30 a.m. the following day.)

16

17

18

19

20

21

22

C E R T I F I C A T E

I, **DAVID A. KASDAN**, RMR, the Official Court Reporter for Miller Reporting Company, Inc., hereby certify that I recorded the foregoing proceedings; that the proceedings have been reduced to typewriting by me, or under my direction and that the foregoing transcript is a correct and accurate record of the proceedings to the best of my knowledge, ability and belief.



DAVID A. KASDAN, RMR